

JOINT CAPITAL PLANNING COMMITTEE MINUTES

The meeting was called to order at 10:10 a.m., 1st Floor Meeting Room, Town Hall.

Present: Carol Gray, Sarah McKee, Kay Moran, Stephanie O’Keeffe, Doug Slaughter, Diana Stein

Absent: Kathleen Anderson, Catherine Sanderson

Others Present: Assistant Town Manager/Finance Director John Musante

Meeting details: Minutes will be rotated as usual. The time of meeting was set at 8:30 to 10:30 a.m. on Fridays, preferably in the First Floor Meeting Room (after our meeting it was changed to the Town Room as the Meeting Room was not available). Musante will set the meeting calendar working backwards from Town Meeting. The Finance Committee will have its recommendations ready by April 8th. We will aim to have our final recommendations ready by March 26 preferably or possibly April 2. That would give us 5 meetings, tight but doable.

Review of Capital Planning Policies

Musante reviewed the Capital Planning policies, referring us to the Town of Amherst Financial Policies & Objectives (available also on line). Page 7 describes Capital Planning, p. 8 provides a formal definition of a Capital Project, and 8 and 9 provide Project Rating Criteria. He said that the financial planning Amherst has been doing has been pretty successful in meeting needs but some are worse now, like roads. Two big ticket items are the N. Fire Station HVAC and the DPW building.

Review of Joint Capital Planning (Handout)

General Fund Five Year Capital Plan

Musante reported savings came from a December 2009 successful bond issue that resulted in \$125,000 of interest savings from a refinancing of old debt, a very low interest rate on new debt (1.85%), and an improvement to our bond rating to "AA with a Stable Outlook" from Standard & Poor's.

Musante described the first page as a tally sheet that balances funds available and expenses. It includes projections for the percentages allocated to the Capital Plan of the Net Tax Levy. The projected share for FY 11 is 6.23%, while 8% was the recommended funding level from the April 2009 report. Colors across all columns represent different sources of revenue. Pale gray is the largest amount and is obtained by borrowing \$4.5 million for road work. The total funds from all sources for FY 11 is \$6.5 million; the total requests total \$7.35 million, leaving us short by \$833,016. He felt that reducing expenditures by a half million would not be as hard as the last \$33,000. This sheet will be updated weekly.

Updated FY 11- 15 capital requests submitted by staff

Musante reviewed these requests (p. 2 to 6). Some new requests added to the five-year plan were highlighted in yellow orange. Other colors refer to years and show how long a project has been on the list. Notable are line 413, the PRP option on the Patterson property for \$120,000 over three years or in one to lock up the option and Line 532 for Kendrick Park, \$120,000, which would be our 1/3rd share of a grant that is being written. Moran pointed out that Wildwood and Fort River Elementary Schools, built in the 1970's, need reconstruction; these capital needs are not included in the list of capital expenditures and are not likely to be State funded as other schools are in much worse shape.

Additional Data provided included current and projected long-term and short-term debt service and a comparative table of percentage of the tax levy for the Capital Plan showing the disparity between our goal of increasing to 10% and current reality.

JCPC's job will be to prioritize and develop a recommended FY 11 plan within available funds and estimates for Years 2 - 5 (FY 12-15). To aid JCPC, Musante will distribute by email in advance of every meeting the detailed project request worksheets to be reviewed at the next meeting with hard copies to be distributed at the meeting. Whenever possible, he will distribute hard copies for the next meeting at the previous meeting. These materials will include from each department, a one paragraph description of the project, what criteria were used in priority setting, priority level, dollar breakdown, funding source and impact on operating budgets. Musante assured us that it will not be all doom and gloom, but smart spending for the future of the Town.

The meeting adjourned at 11:35.

Diana Stein, Acting Clerk